



Endow Kentucky Tax Credit

The Endow Kentucky Tax Credit enables Kentucky income taxpayers (individuals and businesses) to receive a state tax credit of up to 20 percent of a charitable gift to an endowment held at a qualified community foundation for the benefit of Kentucky nonprofits. It's a tax-smart way to provide sustained support to your favorite Kentucky organizations, including schools and religious institutions.

Endowments at GCF provide a permanent stream of annual funding to nonprofits, making them a perfect vehicle for legacy gifts. Endowed donor advised funds may also be tax-credit eligible.*

On July 1, \$2 million in tax credits will become available statewide and will deplete quickly. The required, one-page application to the KY Department of Revenue must be submitted by July 7.

*Terms apply.

Since 2011, GCF has helped donors support Kentucky nonprofits with \$11 million in tax-credited gifts to 39 endowments, including:

- Brighton Center
- Center for Great Neighborhoods
- Diocesan Catholic Children's Home (DCCOH)
- Easterseals Redwood
- Emergency Shelter of Northern Kentucky
- Esperanza Latino Center
- Faith Community Pharmacy
- Gateway Community and Technical College
- GCF's Northern Kentucky Fund
- Kentucky Humane Society
- Learning Grove
- Life Learning Center
- Mary Rose Mission
- NKU Chase College of Law
- OneQuest Health
- Parish Kitchen
- Partners for Change
- Proudworks
- The Point Arc
- St. Elizabeth Healthcare
- St. Elizabeth Hospice
- United Way, Northern Kentucky

Opens July 1

Closes July 7



How it works

- 1** Contact Laura Menge to obtain a pre-filled application. Before making a gift, an application must be filed with the KY Department of Revenue for preliminary tax credit approval. Laura will file the application for you on July 1.
- 2** Within 30 days of receiving preliminary approval, the donor makes their gift to their selected GCF endowment.
- 3** Within 10 days of receipt, GCF will confirm the gift with the KY Department of Revenue, which will then issue a final tax credit confirmation letter to the donor. The tax credit (up to \$10,000 per taxpayer; \$20,000 per married couple filing jointly) may be taken against individual income tax, corporation income tax or limited liability income tax. The tax credit is taken off the state tax bill dollar-for-dollar, and federal and state tax deductions still apply.

Laura S. Menge, CAP®

Associate Director,
Donor Stewardship

513-768-6170

laura.menge@gcfdn.org



GCF Endow Kentucky Tax Savings

This table is an illustration of one possible scenario

37% tax bracket

Qualified cash donations (to GCF endowed fund) [^] less .5% floor	\$10,000	\$20,000	\$50,000
	(\$2,500)	(\$2,500)	(\$2,500)
Net donation	\$7,500	\$17,500	\$47,500
Federal deduction 32%*	(\$1,760)	(\$4,320)	(\$12,000)
State deduction 3.5%*	(\$193)	(\$473)	(\$1,313)
Tax credit 20%*	(\$2,000)	(\$4,000)	(\$10,000)
Net cost of donation (Cost to donor)	\$6,047	\$11,207	\$26,687

Additional tax savings may be available with a gift of appreciated stock

Stock gift (capital gains avoided** 20% + 3.8% NII + 3.5% KY)	(\$1,365)	(\$2,730)	(\$6,825)
Net cost of donation if contribution is appreciated stock	\$4,682	\$8,477	\$19,862

*assuming taxpayer is in the 32% tax bracket with \$500k of AGI and subject to net investment tax

**capital gains calculated on assumption of 100% appreciation of stock owned for more than 1 year